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STATE FOR NEA/ARP, EB/CBA  
STATE PASS USTR FOR JBUNTIN  
COMMERCE FOR ITA DAS VINEYARD

E.O. 12958: N/A

TAGS: BEXP ECON EINV ETRD PREL KMPI MU  
SUBJECT: SME DEVELOPMENT FOCUS OF DAS VINEYARD VISIT

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SUMMARY  
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¶1. The importance of small and medium-sized enterprise (SME) development took center stage during Deputy Assistant Secretary of Commerce Holly Vineyard's September 16 meetings

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in Muscat with top government officials. The FTA will provide the USG an opportunity to work closely with its Omani counterparts in fostering SME growth. End Summary.

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FTA TRUMPS ALL REGULATIONS  
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¶2. On September 16, the Ambassador and Deputy Assistant Secretary of Commerce for International Trade Administration

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Holly Vineyard discussed the potential impact of the U.S.-Oman Free Trade Agreement (FTA) with Minister of Commerce and Industry (MOCI) Maqbul bin Ali Sultan. Maqbul remarked that once President Bush signs the FTA into law, the government would pass a Royal Decree that would enable the FTA to supersede any Omani regulations contradictory to its provisions. On the issue of intellectual property, Maqbul noted that his ministry would receive a delegation from the World Intellectual Property Organization (WIPO) on October 7 to review USTR's comments on Oman's draft industrial property law. MOCI Special Advisor Said al-Riyami added that the Ministry would schedule a DVC with USTR shortly thereafter to take stock of the process. Maqbul further commented that while trade figures between the U.S. and Oman are healthy, the Sultanate would benefit from technical assistance programs that focus on developing SMEs.

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MESSAGE IMPORTANT  
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¶3. In a follow-on meeting, Omani Center for Investment Promotion and Export Development (OCIPED) Executive President Salem bin Nasser al-Ismaily expressed the importance of raising Oman's profile in the U.S. business community. In addition to the direct U.S. investment that the FTA will attract, Ismaily pointed out that the spillover benefits would be equally important. For example, he mentioned that Dow's investment in a petrochemicals complex had already spurred an additional \$350 million in investment from India. Ismaily commented that Oman had to advertise itself as a country that adheres to the rule of law, and promotes the ease of doing business, to attract foreign interest. He

continued that the Omani government should actively promote entrepreneurship through programs geared toward SMEs. To this end, Ismail expressed interest in understanding the U.S. Small Business Administration's role in assisting SME development.

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SME EXPERTS WELCOME  
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¶4. Oman Chamber of Commerce and Industry (OCCI) Executive President Salem al-Ghattami echoed the importance of developing SMEs under the FTA to DAS Vineyard. Ghattami recommended that the USG work with the OCCI in promoting SME expert visits to Oman. Ghattami further welcomed cooperation between the U.S. and Oman on various business development projects, and heartily agreed to facilitate a possible U.S. trade delegation visit to Muscat in late October. Ghattami noted that the FTA provided Oman the opportunity to leverage its strategic position in efforts to develop itself as a regional hub.

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